

1 SEAN C. CUNNINGHAM (Bar No. 174931)  
sean.cunningham@dlapiper.com  
2 ERIN P. GIBSON (Bar No. 229305)  
erin.gibson@dlapiper.com  
3 JACOB D. ANDERSON (Bar No. 265768)  
jacob.anderson@dlapiper.com  
4 DLA PIPER LLP (US)  
401 B Street, Suite 1700  
5 San Diego, CA 92101-4297  
Tel: 619.699.2700  
6 Fax: 619.699.2701

7 BRENT K. YAMASHITA (Bar No. 206890)  
brent.yamashita@dlapiper.com  
8 ROBERT BUERGI (Bar No. 242910)  
robert.buergi@dlapiper.com  
9 SUMMER KRAUSE (Bar No. 264858)  
summer.krause@dlapiper.com  
10 DLA PIPER LLP (US)  
2000 University Avenue  
11 East Palo Alto, CA 94303-2215  
Tel: 650.833.2000  
12 Fax: 650.833.2001

13 Attorneys for PLAINTIFF  
OVERLAND STORAGE, INC.

14 UNITED STATES DISTRICT COURT  
15 SOUTHERN DISTRICT OF CALIFORNIA  
16

17 OVERLAND STORAGE, INC.,

18 Plaintiff,

19 v.

20 SPECTRA LOGIC  
21 CORPORATION,

22 Defendant.  
23  
24  
25  
26  
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CASE NO. 3:12-cv-1597-JLS-BLM

**OVERLAND STORAGE, INC.'S  
MEMORANDUM OF POINTS AND  
AUTHORITIES IN OPPOSITION  
TO SPECTRA LOGIC  
CORPORATION'S MOTION TO  
STAY LITIGATION PENDING THE  
FINAL DETERMINATION IN A  
RELATED INTER PARTES  
REVIEW PROCEEDING BEFORE  
THE UNITED STATES PATENT  
AND TRADEMARK OFFICE**

Date: November 7, 2013  
Time: 1:30 p.m.  
Dept.: Courtroom 6 – 3rd Floor  
Judge: Hon. Janis L. Sammartino

1 Plaintiff Overland Storage, Inc. (“Overland Storage”) hereby submits this  
 2 opposition to Defendant Spectra Logic Corporation’s (“Spectra Logic”) Motion to  
 3 Stay Litigation Pending the Final Determination in a Related Inter Partes Review  
 4 Proceeding Before the United States Patent and Trademark Office (“USPTO”).

5 Spectra Logic’s motion constitutes an unnecessary and overreaching attempt  
 6 to further delay Overland Storage’s infringement claims on two patents, only one of  
 7 which is subject to a not-yet-granted request for *inter partes* review at the USPTO.  
 8 The Court should deny Spectra Logic’s motion for at least two reasons. First,  
 9 Spectra Logic’s motion should be denied as premature, because the USPTO has yet  
 10 to decide whether it will grant Spectra Logic’s petition for *inter partes* review of  
 11 U.S. Patent No. 6,328,766 (“the ’766 patent”). Second, even if the USPTO grants  
 12 review of the ’766 patent, the Court should deny Spectra Logic’s request to also  
 13 stay Overland Storage’s claims for infringement of U.S. Patent No. 6,353,581 (“the  
 14 ’581 patent”). No party has sought review of the ’581 patent at the USPTO, and the  
 15 ’581 patent does not relate to the ’766 patent. Thus, Overland Storage requests that  
 16 the Court deny Spectra Logic’s motion to stay as premature. If the USPTO grants  
 17 review of the ’766 patent, Overland Storage requests that the Court allow the patent  
 18 infringement claims on the ’581 patent to proceed unencumbered by any stay.

19 **I. A STAY OF THE ’766 PATENT CLAIMS IS PREMATURE**  
 20 **BECAUSE THE USPTO HAS NOT GRANTED SPECTRA LOGIC’S**  
 21 ***INTER PARTES* REVIEW PETITION.**

22 The Court should deny Spectra Logic’s motion to stay this case as premature  
 23 until the USPTO rules on the threshold question of whether to grant Spectra  
 24 Logic’s petition for *inter partes* review of the ’766 patent. A stay of a patent  
 25 infringement action “is not warranted when based on nothing more than the fact  
 26 that a petition for *inter partes* review as filed in the USPTO.” *Automatic Mfg. Sys.,*  
 27 *Inc. v. Primera Tech., Inc.*, 6:12-CV-1727-ORL-37, 2013 WL 1969247, at \*2  
 28 (M.D. Fla. May 13, 2013); *see also Dane Techs., Inc. v. Gatekeeper Sys., Inc.*, No.  
 12-2730 ADM/AJB, 2013 WL 4483355, at \*2 (D. Minn. Aug. 20, 2013) (denying

1 stay before the USPTO makes a decision on a petition because “the Court can only  
 2 speculate as to whether the USPTO will review a patent and to what extent”). The  
 3 USPTO takes up to six months to decide whether it will initiate an *inter partes*  
 4 review—and if the USPTO does not grant the petition for review, this case “will  
 5 have been left languishing in the Court’s docket with no discovery, no positioning  
 6 of the parties on claim construction, and no dispositive motions.” *See Automatic*  
 7 *Mfg.*, 2013 WL 1969247, at \*2. If the USPTO grants the petition, the proceedings  
 8 could last for nearly two years, a delay that risks “unnecessarily impairing [a  
 9 party’s] patent rights.” *Davol, Inc. v. Atrium Med. Corp.*, Case No.12-958-GMS,  
 10 2013 WL 3013343, at \*2 (D. Del. June 17, 2013) (finding the fact that *inter partes*  
 11 review had not yet been granted weighed against granting stay). Accordingly,  
 12 courts routinely deny as premature motions to stay prior to the USPTO’s decision  
 13 to grant *inter partes* review. *See, e.g., Warsaw Orthopedic, Inc. v. Nuvasive, Inc.*,  
 14 Case No. 12-cv-2738-CAB (MDD), ECF 69, (S.D. Cal. May 30, 2013) (denying  
 15 motion to stay because decision to grant *inter partes* review was pending);  
 16 *Universal Electronics v. Universal Remote Control, Inc.*, -- F.Supp.2d. ----, 2013  
 17 WL 1876459, at \*5-7 (C.D. Cal. May 2, 2013) (denying motion to stay and noting  
 18 the lengthy delay possible because the *inter partes* review petition had not yet been  
 19 granted); *Proctor & Gamble Co. v. Team Techs., Inc.*, Case No. 1:12-cv-552, 2013  
 20 WL 4830950, at \*3-4 n.1 (S.D. Ohio Sept. 10, 2013) (denying motion to stay as  
 21 premature where *inter partes* review petition was not yet granted; collecting similar  
 22 cases from other districts).

23 Here, Spectra Logic filed its petition for *inter partes* review of the ’766  
 24 patent on June 14, 2013. Approximately two months likely remain before the  
 25 USPTO decides whether to grant or deny *inter partes* review. This delay alone,  
 26 which could ultimately result in “little to show” if Spectra Logic’s petition is  
 27 denied, would “unduly prejudice [and] present a clear tactical disadvantage” to  
 28 Overland Storage. *Automatic Mfg.*, 2013 WL 1969247, at \*3. Overland Storage

1 should be able “to prosecute its claims, to take discovery, and to set its litigation  
2 positions, at least until such a time as the USPTO takes an interest in reviewing the  
3 challenged claims.” *Id.*

4 Thus, Overland Storage requests that the Court deny Spectra Logic’s  
5 premature request to stay this case. If the USPTO grants *inter partes* review of the  
6 ’766 patent, Overland Storage does not intend to oppose a stay of its ’766 patent  
7 claims at that point—so long as a stay does not extend to the ’581 patent not subject  
8 to USPTO review, as set forth below.

9 **II. A STAY OF THE ’581 PATENT CLAIMS IS NOT WARRANTED,**  
10 **BECAUSE THE ’581 PATENT IS NOT RELATED TO THE ’766**  
11 **PATENT AND IS NOT INVOLVED IN ANY USPTO REVIEW**  
**PROCEEDING.**

12 Spectra Logic’s motion devotes surprisingly little attention to whether  
13 staying this case as to the ’581 patent infringement claims is appropriate, when that  
14 patent is not subject to USPTO review. Spectra Logic fails to cite a single case in  
15 support of its request, and instead relies on conclusory and false assertions. The  
16 Court should reject Spectra Logic’s legally and factually unsupported arguments for  
17 at least four reasons.

18 First, Spectra Logic fails to cite any legal authority in support of its request to  
19 stay the case as to the ’581 patent, which is not subject to any USPTO review  
20 request or proceeding. Courts routinely deny motions to stay patent claims not  
21 subject to USPTO review, even where other patents in the same lawsuit are under  
22 review. *See, e.g., Biomet Biologics, LLC v. Bio Rich Med., Inc.*, Case No. SACV  
23 10–1582 DOC (PJWx), 2011 WL 4448972 (C.D. Cal. Sept. 26, 2011) (even if a  
24 stay were granted as to the patent under review, the court would still litigate two  
25 unrelated patents not subject to *ex parte* reexamination); *Network Appliance Inc. v.*  
26 *Sun Microsystems Inc.* Case No. C-07-06053 EDL, 2008 WL 2168917, at \*4, 6  
27 (N.D. Cal. May 23, 2008) (staying case as to one patent “in the actual  
28 reexaminations” and denying stay as to patent where PTO did not grant

1 reexamination to the majority of the claims); *Anascope, Ltd. v. Microsoft Corp.*,  
 2 475 F. Supp. 2d 612, 616-17 (E.D. Tex. 2007) (granting stay only as to patents in  
 3 *inter partes* reexamination that shared the same specification, were part of the same  
 4 patent family, and had claims directed to the same technology, while denying stay  
 5 as to unrelated patents not in *inter partes* reexamination); *CCP Sys. AG v. Samsung*  
 6 *Electronics Corp.*, Case No. 09–CV–4354 DMC–JAD, 2010 WL 5080570 (D.N.J.  
 7 Dec. 7, 2010) (granting stay as to patents in *inter partes* reexamination but denying  
 8 stay as to claims unrelated to patents in reexamination). Similarly here, no one has  
 9 sought USPTO review of the '581 patent, and the Court should allow the '581  
 10 patent infringement claims to proceed as a result.

11 Second, Spectra Logic incorrectly asserts that “Overland has represented that  
 12 it may limit its allegations as to the '581 Patent to as few as three claims,” and that  
 13 consequently the “focus and gravamen of the lawsuit is the '766 Patent.” Dkt. No.  
 14 34-1 at 9. The citation does not support the conclusion. The citation reads: “At a  
 15 minimum, Overland Storage intends to assert claims 10, 12 and 16 of the '581  
 16 patent.” Dkt. No. 39 at 5. Moreover, Overland Storage’s complaint asserts that the  
 17 Spectra Logic accused products practice “each of the limitations of independent  
 18 claims 1, 10, 16, and 19 and dependent claims 2, 5, 6, 7, 9 and 12 of the '581  
 19 patent.” Dkt. No. 1 at ¶ 28. Overland Storage has never represented that its '766  
 20 patent infringement claims are somehow more important than its '581 patent  
 21 infringement claims. The Court should reject Spectra Logic’s incorrect assertions  
 22 concerning the primacy of the '766 patent to this case.

23 Third, Spectra Logic misrepresents that the '581 patent and the '766 patent  
 24 are somehow related, when these patents have almost nothing to do with one  
 25 another. Overland Storage owns both patents and asserts the '581 patent against  
 26 one of the Spectra Logic tape libraries that is also accused of infringing the '766  
 27 patent. Any purported similarities end there. The '766 patent teaches the manner  
 28 in which a tape library is virtually partitioned for use with multiple host computers,

1 while the '581 patent teaches a mechanical structure of a tape library. The patents  
2 have different inventors, different specifications, and different claims. Litigating  
3 the patent claims will involve unrelated claim construction issues, different  
4 technical infringement analysis and related discovery, and different validity  
5 challenges. Thus, proceeding to litigate Overland Storage's '581 patent  
6 infringement claims would not be inefficient, let alone "extraordinarily inefficient"  
7 as Spectra Logic suggests. Dkt. No. 34-1 at 9; *see Anascope*, 475 F. Supp. 2d at  
8 615 ("in multiple patent cases . . . the court must examine each patent, and each  
9 request for reexamination, individually with an eye toward balancing simplification  
10 of the issues against speedy resolution of the disputes between the parties");  
11 *Network Appliance*, 2008 WL 2168917, at \*3 (denying stay as to two of the  
12 patents-in-suit; "staying a case even in early stages pending reexamination has not  
13 led to the just, speedy, and efficient management of the litigation").

14 Fourth, Spectra Logic wrongly asserts that Overland Storage unjustifiably  
15 delayed in pursuing its case against Spectra Logic, and that Overland Storage took  
16 discovery of Spectra Logic in the ITC investigation. *Id.* at 10. Overland Storage  
17 filed its complaint against Spectra Logic approximately one week after Chief  
18 Administrative Law Judge Bullock issued a favorable Initial Determination against  
19 BDT, IBM and Dell in the ITC investigation. *See* Dkt. No. 19 at 2. As the Federal  
20 Circuit has recognized, "[a] patentee does not have to sue all infringers at once."  
21 *Polymer Techs., Inc. v. Bridwell*, 103 F.3d 970, 975 (Fed. Cir. 1996) ("Picking off  
22 one infringer at a time is not inconsistent with being irreparably harmed."). Thus,  
23 the fact that Overland Storage did not assert its patents against Spectra Logic until  
24 receipt of a favorable Initial Determination does not suggest that Overland Storage  
25 was dilatory. Moreover, Spectra Logic's argument that "Overland had an  
26 opportunity to seek discovery from . . . Spectra Logic" in the ITC undermines the  
27 credibility of Spectra Logic's motion. Dkt. No. 34-1 at 10. Spectra Logic flatly  
28 refused to comply with Overland Storage's subpoenas in the ITC, because Overland



Storage would not agree to waive its infringement claims against Spectra Logic in exchange for the discovery. *See* Dkt. No. 19 at 3 (quoting Spectra Logic email: “I think your client [Overland Storage] simply needs to decide which is more important to it -- evidence that might support it’s [sic] present litigation [in the ITC] or holding on to potential future defendants. It appears to us that we would all be better off if they opted for the former.”). Overland Storage will rely upon Spectra Logic’s request to condition compliance with a subpoena on a waiver of Overland Storage’s infringement claims as proof of willful infringement in this case. The Court should reject Spectra Logic’s misleading argument that Overland Storage had an “opportunity” to take discovery that Spectra Logic flatly refused to provide.

### III. CONCLUSION.

Overland Storage requests that the Court deny Spectra Logic’s motion to stay as premature because the USPTO has not yet decided whether to grant review of the ’766 patent. If the USPTO grants review of the ’766 patent, Overland Storage requests that the Court deny Spectra Logic’s motion to stay the unrelated ’581 patent infringement claims, which are not subject to any USPTO review request.

Dated: October 24, 2013

DLA PIPER LLP (US)

By /s/ Sean C. Cunningham

SEAN C. CUNNINGHAM  
BRENT K. YAMASHITA  
ERIN P. GIBSON  
ROBERT BUERGI  
JACOB D. ANDERSON  
SUMMER KRAUSE

Attorneys for Plaintiff  
OVERLAND STORAGE, INC.